

Prairie Point Energy, L.L.C.
Comments to Illinois Commerce Commission's Staff
proposed revisions to 83 IAC 500.

Prairie Point Energy, L.L.C. d/b/a Nicor Advanced Energy LLC ("NAE") appreciates the opportunity to comment on ICC Staff's proposed revisions to existing 83 Illinois Administrative Code 500, Standards of Service for Gas Utilities and Alternative Gas Suppliers ("Part 500"). However, NAE is concerned that the expansion of Part 500, as proposed by ICC Staff, may be unnecessary particularly in light of statutory requirements placed on Alternative Gas Suppliers as a result of Public Act 95-1051. Several of the proposed changes in Part 500 may unnecessarily increase costs to Alternative Gas Suppliers without any corresponding consumer benefit. Based on ICC Staff's proposed revisions to Part 500, NAE offers the following comments.

I. Comments to Subpart A.

A. Section 500.10

NAE proposes the following addition to Part A: General, Section 500.10 to ICC Staff's proposed rule.

"Complaint," as used in Section 500.40, means a customer dispute regarding any utility or Alternative Gas Supplier service or billing matter, where the disposal of such complaint results in the customer requesting Commission review of the matter.

NAE suggests that the proposed rules of Part 500.40 may be too broad and unduly burdensome on the Alternative Gas Suppliers and utilities with no improvement in service to customers. Without a controlling definition, "complaints" may include issues from routine bill inquiries, questions about service, and other easily addressed issues.

NAE proposes the following additions to Part A: General, Section 500.10 to ICC Staff's proposed rule.

"Natural gas supplier" means an Alternative Gas Supplier or any other natural gas supplier providing service providing the natural gas commodity to a customer under a gas utility tariff or rider.

NAE suggests that the additional clarification of a Natural Gas Supplier is more precise for the application of Part 500 and avoids the rule from applying to those entities not supplying the natural gas commodity to consumers.

B. Section 500.20.

NAE proposes the following modifications to Section 500.20 Application:

This Part sets forth minimum requirements and shall apply to any natural gas public utility as defined in 3-105 of the Act [220 ILCS 5/3-105] and any Alternative Gas Supplier as that term is defined in Section 19-105 of the Act [220 ILCS 5/19-105]. The requirements of this Part shall not be applicable to any products that are sold by or through an Alternative Gas Supplier or natural gas public utility that are not the natural gas commodity delivered to a customer under a natural gas utility tariff or rider. This Part shall not apply to any natural gas cooperative or to a municipal system when operating within its service territory. A public utility shall retain records required by this Part as set forth in 83 Ill. Adm. Code 510 (Code 350 to replace 510), unless longer periods of retention are stated in this Part.

C. Section 500.40.

NAE proposes the following changes (in redline) to Staff's proposed Part 500.40.

- a) A utility or Alternative Gas Supplier shall investigate each ~~complaint~~ Complaint reported to and referred by the Commission. ~~received.~~ The utility or Alternative Gas Supplier shall acknowledge the receipt of all written ~~complaints~~ Complaints in writing or verbally.
- b) A utility or Alternative Gas Supplier shall document each ~~complaint~~ Complaint reported to and referred by the Commission and make any records required by this Part available to Commission personnel upon request. Each record of a ~~complaint~~ Complaint shall contain, at a minimum, the name and address of the person making the Complaint, the time of day and the date received, the nature of the Complaint, the result of the investigation and/or analysis, when and by whom conducted, the final disposition of the ~~complaint~~ Complaint, and the date of disposition.

By defining Complaint, routine customer service activities and interactions can be handled efficiently, while serious customer inquiries and problems can be addressed with additional resources and inquiry.

NAE proposes the following edits to proposed Section 500.40(c):

- c) A utility ~~or Alternative Gas Supplier~~ shall keep records of customer inquiries~~complaints~~ related to pressure regulation or accuracy of metering equipment or data, other than requests for meter rereads, in the following manner. A utility ~~or Alternative Gas Supplier~~ will keep an index or file containing all pressure regulation and meter accuracy requests for three years, separated by year. If a utility ~~or Alternative Gas Supplier~~ chooses to maintain an index of said inquiries~~complaints~~, the index shall contain enough information to allow access to individual records of each inquiry~~complaint~~.

As to proposed Section 500.40(c), Alternative Gas Suppliers have no role in meter reading or maintenance of utility facilities. Alternative Gas Suppliers receive usage information from the utility's meter reads. Any meter accuracy issue or pressure issue will be more likely discovered and addressed by the utility. If a customer contacts the Alternative Retail Gas supplier regarding a meter issue, the Alternative Gas Supplier would be required to refer that customer to the relevant utility's customer service group.

C. Section 500.50 Customer Call Centers

NAE recommends that the performance of Customer Call Centers match the current language in 220 ILCS 5/19-115(b)(5). Those standards help ensure that customers are able to reach the applicable Alternative Gas Supplier without undue burden on the customer or Alternative Gas Supplier. To better match the statutory language NAE suggests the following change to Staff's proposed Section 550.50(a):

- a) A utility or Alternative Gas Supplier shall maintain a customer call center where customers can reach a representative of the utility or Alternative Gas Supplier and receive current information regarding their account. At least once every six months, a utility or Alternative Gas Supplier shall provide written information to customers explaining how to contact the call center. The average answer time for calls placed to the call center shall not exceed 60 seconds where a representative or automated system is ready to render assistance and/or accept information to process calls. ~~The utility or Alternative Gas Supplier shall include the time on hold for calls that are abandoned.~~ The abandon rate for calls placed to the call center shall not exceed 10%. A utility or Alternative Gas Supplier shall maintain records of the call center's telephone answer time performance and abandon call rate. A utility or Alternative Gas Supplier shall keep these records for a minimum of two years and make these records available to Commission personnel upon request. If average answer times and/or abandon rates exceed the limits established above, a utility or Alternative Gas Supplier may provide the Commission or its personnel with explanatory details. At a minimum, these records shall contain the following information in monthly increments:

- 1) Total number of calls received.
- 2) Number of calls answered.
- 3) Average answer time.
- 4) Number of abandoned calls.
- 5) Abandon call rate.

II. SUBPART C: CUSTOMER INFORMATION

A. Section 500.400 Corrections and Adjustments for Meter Error

As the utility is in the key position to determine meter error, the utility should provide an Alternative Gas Supplier with the requisite information as to the existence of a meter error and the correction of the billing information applicable to that customer's bill. The Alternative Gas Suppliers are not responsible for the utilities' facilities, meter reading or meter testing. If a billing error occurs, documentation of the billing error should then be passed along to the customer's Alternative Gas Supplier to allow the Alternative Gas Supplier to adjust the invoiced amounts to the customer as applicable. NAE suggests that in cases where an Alternative Gas Supplier must also be informed of billing adjustments and must take actions to adjustment its charges, a date certain adjustment, such as a time limit of 60 days, may be inappropriate. Instead, billing adjustments should be made on a best efforts basis.

NAE proposes the following change to Section 500.400(a) of Staff's proposed rule:

- a) Whenever any test made by a utility or by the Commission shows a meter to have an average error of more than 2%, the utility ~~and/or Alternative Gas Supplier~~ shall provide a billing adjustment to the customer within 60 days for the utility charges and shall provide the customers with an explanation for the billing correction.
 - (i) If the customer receives supply service from an Alternative Gas Supplier and if those Alternative Gas Supplier charges are billed by the utility, the utility shall promptly notify the Alternative Gas Supplier of the meter error and need for billing adjustment. The utility shall provide the Alternative Gas Supplier with an explanation of the reason for the billing adjustment, including the amount of the adjustment and the time period over which a billing adjustment applies to a customer's bill. As applicable, the Alternative Gas Supplier shall then submit its adjusted charges to the utility for billing in a timely manner.
 - (ii) -If the customer receives supply service from an Alternative Gas Supplier and is billed by the Alternative Gas Supplier, the utility shall promptly notify the Alternative Gas Supplier of the meter error and need for billing adjustment. The utility shall provide the Alternative Gas Supplier with an explanation of the reason for the billing adjustment, including the amount of the adjustment and the time period over which a billing adjustment applies to a customer's bill. The Alternative Gas Supplier shall adjust the total charges to its customers within 60 days of being provided the documentation related to the billing adjustment by the utility.

NAE proposes the following changes to proposed Section 500.400(b) through (i) of Staff's proposed rule given that the utility, not Alternative Gas Suppliers, are responsible for the utility facilities. In addition, NAE is concerned about the time period over which customer bills may be adjusted and would recommend further revisions to below sections to address these concerns. In the Nicor Gas and Peoples Gas/North Shore Gas utility service territories, Alternative Gas Suppliers schedule customer natural gas deliveries based on utility customer choice program and customer requirements. The Alternative Gas Suppliers are, in many cases, compensated based on the flow of therms through the utility meters. If there are persistent errors between the gas scheduled into a utility system and the recorded amounts of gas delivered through an inaccurate meter, an Alternative Gas Supplier may under-collect or over-collect for the cost of serving that customer. To ensure that customers are properly and accurately invoiced for the natural gas used, NAE proposes that billing adjustments for Alternative Gas Supplier service and deliveries be addressed, as applicable, under the current Section 500.240.

- b) When a utility finds a meter with an average error of more than 2%, the utility ~~and/or Alternative Gas Supplier~~ shall determine the correction using the actual percentage of error as determined by the test, not the difference between the allowable error and the error found as a result of a test.
- c) If the utility finds the meter operates faster than allowable, the utility ~~and/or Alternative Gas Supplier~~ shall presume that the inaccuracy has existed for a period of two years prior to the date the utility removed the meter from service or if meter was tested while in service, then the date of the meter test.
- d) If the utility finds the meter operates slower than allowable, the utility ~~and/or Alternative Gas Supplier~~ shall presume that the inaccuracy has existed for a period of one year prior to the date the utility removed the meter from service for small commercial and residential customers and two years prior to the date the utility removed the meter from service for all other customers. If the utility tested the meter accuracy while it was still in service, then the utility ~~and/or Alternative Gas Supplier~~ shall use the date of the meter test to establish how long the meter operated inaccurately.
- e) A utility ~~and/or Alternative Gas Supplier~~ shall not adjust a customer's bill for the registration error of a non-registering meter for a period of more than 60 days when the utility reads the meter on a monthly schedule or a period of 90 days when the utility reads the meter on some longer schedule. A utility shall consider meters equipped with automatic meter reading devices as read on a monthly schedule.
- f) A utility ~~and/or Alternative Gas Supplier~~ shall not adjust a customer's bill for meter error beyond the in-service date of the meter, nor shall ~~they~~ it provide for any correction beyond the date upon which the current

customer first occupied the premises at which the inaccurate meter in question was located.

- g) Where the utility or, the customer, ~~Alternative Gas Supplier, or a natural gas supplier~~ can show that the meter error has existed for longer than the prescribed time for a billing adjustment set forth in Sections 500.400(b) and (c), the utility ~~and/or Alternative Gas Supplier~~ shall set the time of the metering error at the longer period. This section will not apply to those occasions where the utility found the meter to under-register, but the utility did not meet all of the prescribed testing and maintenance requirements for that meter type as set forth in this Part.
- h) Provisions of this Section do not apply to situations in which the utility determined the customer's meter or other service equipment was tampered with and the customer enjoyed the benefit of the tampering.
- i) Whenever a utility shall find a gas meter in its place of service to be registering gas leaking from the meter or from the outlet connection of the meter, the utility shall estimate the amount of leaked gas that the meter has registered during a period of inaccuracy as defined in this section and the utility ~~and/or Alternative Gas Supplier shall~~ shall adjust the customer's bill to correct for that amount of meter error.

B. Section 500.410 Information to Customers

NAE supports understandable bills that provide customers relevant information, but this section as currently drafted is unduly burdensome to Alternative Gas Suppliers relative to the benefits provided to customers. NAE proposes that the language as to the terms "type of service rendered" and "a complete description of the service or rate classification under which the customer receives service" be defined more specifically to mean the utility description of the utility rates and service. A customer's service or gas purchase plan from an Alternative Gas Supplier will be fully described in that customer's Letter of Agency and in that customer's contract with the Alternative Gas Supplier. Reiteration of the specific terms and conditions would only serve to increase Alternative Gas Supplier costs while providing no additional useful information to customers.

Under proposed Section 500.410(a)(3), a vertical listing of minimum content requirements is required. In cases where the Alternative Gas Supplier renders the bill for both commodity and delivery services, NAE recommends that as long as the requisite information is clearly provided, the format of the presentation be at the discretion of the Alternative Gas Supplier. The requirement of vertical listing of the variety of charges may result in increased Alternative Gas Supplier operating costs and resulting charges to consumers. Further, certain natural gas products may not be tied to current meter usage. In those cases, presentation of those charges in the manner as described in Staff's proposal may lead to additional customer confusion. NAE proposes the following change to proposed Section 500.410(a)(3) subsections (A)

through (D):

- 3) Minimum content requirements are presented in an easily for easy readabilityreadable manner:
 - A) The total amount of the bill.
 - B) The monthly customer charge or portion thereof.
 - C) The demand charges.
 - D) The cost of gas. The total therms used for the billing period shall be provided along with ~~—detailed by the number of therms used and the~~ price per therm for each change in the unit price if the customer's total cost of gas is dependent on the level of gas used in the current billing period.

NAE also questions the necessity of Section 500.410(a)(7) as applied to the Alternative Gas Suppliers. While the provisions of this Section may already be built into utility billing procedures, Alternative Gas Suppliers may be forced to both acquire the necessary average usage information for customers from the utility over multiple periods and will need to incur additional costs to facilitate such comparisons. In addition, a customer may have multiple natural gas suppliers over a two year period. Without customer authorization and utility approval, an Alternative Gas Supplier may not have access to customer usage prior to the current term of service. As an alternative NAE proposes the following:

- 7) If charges are billed on a utility-issued bill, the utility bill shall contain: tThe average use per day for the period over which the bill is rendered and for the comparable period one year earlier, and an indication of the difference in temperatures between the two periods. If this information is not available for a customer, the bill shall so state.

NAE believes that after the utility billing tariffs have been approved by the Commission, Alternative Gas Suppliers should be allowed 270days to become compliant with the Section 500.410(c). Alternative Gas Supplier billing changes will be largely dependent on changes made in utility billing process. A date certain for Alternative Gas Suppliers' compliance with this section would be onerous. NAE proposes the following edits to proposed Section 500.410(c):

- c) All gas utilities shall have on file with the Commission a proposed tariff under Section 9-201 of the Act [220 ILCS 5/9-201] that contains a bill form complying with the requirements of subsection (a). All gas utilities' ~~By June 15, 2013,~~ all billings shall comply with the requirements of subsection (a) by June 15, 2013. 270 days thereafter, the Alternative Gas Suppliers shall comply with the requirements of subsection (a).

NAE supports clearly understandable billing but is concerned about the cost of implementing additional disclosure statements above and beyond what is already present in a customer's Letters of Agency and the contracts that a customer receives from an Alternative Gas Supplier. Those documents disclose how customer bills are determined. Because Section 500.410(e) indicates that the disclosure statement requirement in that Section does not apply to Alternative Gas Suppliers, and the Alternative Gas Supplier disclosure statement requirement is instead detailed in Section 500.410(h), NAE proposes the following modification to Section 500.410(f), (g) and (h) of the Staff's proposed rule.

f) In addition, for customers served under the residential and commercial classifications, ~~this—a utility~~ disclosure statement shall contain the following:

- 1) An explanation of the terms appearing on the customer's bill form.
- 2) An example of how to calculate a bill using the customer's existing rate.

g) Disclosure statements shall be provided by the utility:

- 1) To each new utility customer, not later than 60 days after the date of commencement of service, through a billing insert, separate mailing or direct customer contact by a representative of the utility ~~or Alternative Gas Supplier~~.
- 2) To all affected customers in the event of a change in overall utility rate levels. The disclosure statement shall be transmitted, at a minimum, within the second complete billing cycle after the utility rates become effective following the issuance of a final order in any rate proceeding by the utility. If the disclosure is sent during a period in which proration occurs, a statement such as the following shall be incorporated in the text:

"This summary is being sent during a period in which proration occurs. Proration occurs when part of your bill is charged on old utility rates and part of your bill is charged on new utility rates. If an attempt is made to calculate your bill using this rate summary, your calculation will not yield the proper billing amount for this billing period, but will do so in subsequent months. We recommend that you retain this summary for future reference in computing proper billing amounts."

h) Each Alternative Gas Supplier shall provide to all residential and commercial customers, ~~at least annually, a disclosure statement with the~~ following information:

- 1) At least annually, a statement of the average monthly prices.
- 2) At least annually, a notification that describes the means by which a customer can obtain the terms and conditions of the products and services sold to the customer, including a reference to the Alternative Gas Supplier's website.
- 3) Within 60 days of an Alternative Gas Supplier receiving, as applicable to the enrollment method, authorization from a customer per 220 ILCS 5/119(c) permitting a change in natural gas supply service, the Alternative Gas Supplier shall provide that enrolling customer a copy of that customer's terms and conditions through the mail or by electronic means.

NAE appreciates the opportunity to comment on ICC Staff's proposed Part 500 rules and looks forward to working with ICC Staff and other parties. NAE specifically reserves the right to make additional comments to ICC Staff's proposed Part 500.

Respectfully submitted,



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